

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1915 - HB 1989**

February 11, 2022

**SUMMARY OF BILL:** Enacts an interstate compact between Arkansas, Mississippi, and Tennessee to create the RegionSmart Development District (District) and the RegionSmart Development Agency (Agency) of the Greater Memphis Region for the purpose of improving the quality of life, promoting economic development, stimulating economic growth, minimizing unemployment, and promoting the general welfare for the benefit of the citizens of these states.

Establishes a board of commissioners (Board) as the governing authority of the Agency and prescribes the manner in which commissioners are appointed. Requires the Board to adopt bylaws and various policies before undertaking any of its powers.

Grants the Agency the following powers: to contract with governmental and nongovernmental entities, apply for grants and funding, charge and collect fees, receive contributions by governmental and nongovernmental entities, disburse funds, make community plans, employ persons necessary and fix salaries, issue bonds, borrow money, issue negotiable refunding notes, bonds, or other instruments, exercise the powers of eminent domain and condemnation, and to be a planning organization with an interest in multi-state freight corridor.

Requires the Agency to submit an annual report, detailing how the Agency is performing its governmental functions, to the legislatures and governors of each state in the compact and to individuals and entities holding the powers of appointment of the Board, no later than March 31.

Provides that no part of the income and earnings of the Agency shall inure to the benefit or profit of a private individual or entity.

Establishes that the compact will become effective on the date which the compact is enacted into law in the second compact state.

**FISCAL IMPACT:**

**Other Fiscal Impact – Due to multiple unknown variables, including which entities will provide funding, the rate and timing of any fees charged, the amount of any funds to be disbursed, the amount of money to be borrowed, or the timing in which this may become effective, the extent of any state and local fiscal impact cannot reasonably be determined.**

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#### Assumptions:

- As of February 11, 2021, no state has enacted legislation to establish the compact between Arkansas, Mississippi, and Tennessee. The compact will become effective upon the second state enacting legislation.
- The proposed legislation would create the District, comprised of the following territory:
  - Crittenden, Craighead, and Mississippi Counties, Arkansas;
  - DeSoto County, Mississippi; and
  - Shelby, Fayette, and Tipton Counties, Tennessee.
- It is unknown how the District or Agency will initially be funded, as the proposed legislation does not provide a funding mechanism upon enacting.
- Nine development districts were established under the Tennessee Development District Act of 1965, including the Memphis Area Association of Governments (MAAG).
- MAAG is comprised of the following territory:
  - Crittenden County, Arkansas;
  - DeSoto County, Mississippi; and
  - Shelby, Fayette, Tipton, and Lauderdale Counties, Tennessee.
- Per the language of the legislation, the compact creates a quasi-governmental and public entity that is authorized to contract with, apply for grants and funding from, and receive contributions from governmental and nongovernmental entities; the Agency may also charge and collect fees, disburse funds, borrow money, and issue bonds.
- Due to multiple unknown variables, such as which entities will provide funding, the rate and timing of any fees charged, the amount of any funds to be disbursed, or the amount of money to be borrowed, the extent and timing of state and local revenue and expenditures cannot reasonably be determined.

#### **IMPACT TO COMMERCE:**

**Other Commerce Impact – Due to multiple unknown variables, the extent and timing of any impact to commerce and jobs in Tennessee cannot reasonably be determined.**

#### Assumptions:

- The proposed legislation creates a quasi-governmental and public entity that is authorized to contract with, apply for grants and funding from, and receive contributions from governmental and nongovernmental entities.
- Due to multiple unknown variables such as, which states will enact the compact and when, which private entities the Agency will contract with, which private entities will provide funding for the Agency, and the number of employees the Agency will hire, the extent and timing of any impact to commerce and jobs in Tennessee cannot reasonably be determined.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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